

## Public consultation on a legislative initiative on strengthening the principle of equal pay between men and women through pay transparency

### I. Experiences and attitudes on pay discrimination

### II. Enforcement issues

- **What do you think about the following types of support to help employees take action in case of gender-based pay discrimination?**

	Very important	Important	Not that important	Not important at all	Do not know
Easily accessible information on how to lodge a complaint or about other legal procedures	X				
Low litigation costs	X				
Certainty of no professional consequences or adverse treatment in case of lodging a complaint or taking other legal action	X				
Free legal support and representation in legal action	X				

Labour inspectorate's intervention in case of alleged discrimination		X			
Equality body's intervention in case of alleged discrimination		X			
Decent monetary compensation or other remedy	X				
Effective and proportionate fine to the company	X				
Use of 'naming and shaming' of companies not complying with equal pay principle			X		
Possibility of collective action – taken by a group of employees in the same situation			X		
In case of potential discrimination, the employer has to prove the absence of discrimination (reversal of the burden of proof)	X				

### III. Relevance and possible features of the forthcoming initiative

*Pay:* the ordinary wage or salary and any other supplementary components received directly or indirectly from the employer, whether in cash or in kind, such as bonuses or a company car.

*Pay levels:* information on average pay level of employees per category or position doing the same work or work of equal value, by gender.

*Gender pay gaps:* the difference between the average pay of men and women per category or position of employees doing the same work or work of equal value.

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- **What do you think of the following measures on pay transparency and better enforcement of the principle of equal pay?**

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know
Employees have the right to access information on pay levels and gender pay gaps of categories of individuals performing the same work or work of equal value	X				
Employer reports regularly on pay levels and gender pay gaps per employees' category	X				
Employers and employees representatives analysing information	X				

about pay levels and gender pay gaps per employees' category in regular pay audits					
Gender-neutrality of job evaluation and classification systems		X			
Obligation to include equal pay matters in collective bargaining					X
Effective and proportionate penalties for companies and compensation for victims of discrimination	X				
Strong mandate of national equality bodies to intervene in support of victims		X			
Reinforced mandate of labour inspectorates to intervene in support of victims		X			

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- **Do you agree/disagree with the following statements about the possible impacts of pay transparency measures?**

	Strongly agree	Somehow agree	Somehow disagree	Strongly disagree	Do not know
Pay transparency helps enforce the right to equal pay	X				
Pay transparency reduces pay discrimination		X			
Pay transparency contributes on raising awareness of equal pay issues	X				
Pay transparency is a powerful tool for equality bodies/labour inspectorates /social partners to support employees in defending their right to equal pay	X				
Pay transparency would encourage employers to take action to better implement the principle of equal pay for the same work or work of equal value		X			
Pay transparency helps improve work climate		X			

Pay transparency has a positive impact on employees' motivation and productivity		X			
Pay transparency can result in salaries flattening or decreasing and greater wage moderation by organisation		X			
Pay transparency might make it difficult to reward high-performing employees			X		
Pay transparency limits employers' discretion		X			
Pay transparency creates significant additional administrative burden for organisations				x	
Pay transparency must be part of wider equal pay policies	X				
Effectiveness of pay transparency depends on the size of the organisation				X	
Pay transparency measures should be	X				

tailored to the size of the organisation					
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- **How do you rate the following possible modalities of the right to access pay information?**

*Right to access pay information:* right for employees to access information on pay levels and gender pay gaps, for categories of employees doing the same work or work of equal value.

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know
Information received upon employee's request to the employer	X				
Information received as a personal regular communication (e.g in the payslip)		X			
Information is available to the trade union or equality body	X				
Information is publicly available and easily accessible	X				

Information should include average pay levels		X			
Information should include general pay gaps		X			
Information should specify average bonus or benefits (any payments in cash or in kind paid in addition to the ordinary salary) and gender gaps related to them		X			
Information about pay provided at hiring point (in the position vacancy or during the interview)				X	

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- **In your opinion, what kind of organisation should apply the employees' right to access pay information?**

	Should be applicable	Should not be applicable	Do not know
Micro organisations (less than 10 employees)		X	



Small organisations (10 to 49 employees)	X		
Medium-sized organisations (50- 249 employees)	X		
Large organisations (at least 250 employees)	X		

- **If 'should not be applicable', please explain why** – a framework should be developed having in mind the principle of proportionality

- **How do you rate the following possible modalities of pay reporting by organisations on pay levels?**

*Pay reporting* : employers' regular reporting of pay levels by category of employee or position, broken down by gender.

*Pay levels*: information on average pay level of employees per category or position Pay levels doing the same work or work of equal value, by gender.

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know
Pay report is provided to employees only upon their request	X				
Pay report is accessible to employees or employees' representatives	X				

Pay report is available to the equality body or labour inspectorate	X				
Pay report is available to the public at large				X	
Information is presented in a standard format or with clear explanation	X				
Possibility of a follow up action by labour inspectorate/equality body if significant unjustified gender-based pay differences are detected	X				
Pay reports of the last 4 years remain available		X			

• **How do you rate the following possible modalities of pay reporting by organisations on gender pay gaps?**

*Pay reporting:* employers' regular reporting of gender pay gaps by category of employee or position.

*Gender pay gaps:* the difference between the average pay of men and women per category or position of employees doing the same work or work of equal value.

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know
Pay report is provided to employees only upon their request	X				

Pay report is accessible to employees or employees' representatives	X				
Pay report is available to the equality body or labour inspectorate	X				
Pay report is available to the public at large				X	
Information is presented in a standard format or with clear explanation	X				
Possibility of a follow up action by labour inspectorate/equality body if significant unjustified gender-based pay differences are detected	X				
Pay reports of the last 4 years remain available		X			

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- **In your opinion, what kind of organization should implement pay reporting? (in relation to previous two questions)**

	Should be applicable	Should not be applicable	Do not know
Micro organisations (less than 10 employees)		X	
Small organisations (10 to 49 employees)	X		
Medium-sized organisations (50-249 employees)	X		
Large organisations (at least 250 employees)	X		

- **If 'should not be applicable', please explain why** - a framework should be developed having in mind the principle of proportionality

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- **How do you rate the following possible modalities of pay audit?**

*Pay audit:* employer and employees' representatives regularly analysing information about pay levels and gender pay gaps per employees' category, and further related information

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know
Results of the audit are provided to employees only upon their request	X				

Results of the audit are accessible to employees or employees' representatives	X				
Results of the audit are available to the equality body or labour inspectorate	X				
Results of the audit are available to the public at large				X	
The audit includes information on pay levels and gender pay gaps	X				
The audit includes an analysis of the criteria used to establish pay and reasons explaining differences in pay	X				
The audit includes an analysis of gender neutrality of job evaluation and classification system				X	
The audit includes corrective measures if pay differences between men and	X				

women are not justified					
The audit includes a follow-up of measures set in previous audits	X				
Possibility of a follow up action by labour inspectorate/equality body if significant unjustified gender-based pay differences or gender pay gaps are detected	X				

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- **In your opinion, what kind of organisation should implement pay audit?**

	Should be applicable	Should not be applicable	Do not know
Micro organisations (less than 10 employees)		X	
Small organisations (10 to 49 employees)	X		
Medium-sized organisations (50-249 employees)	X		

Large organisations (at least 250 employees)	X		
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- **If 'should not be applicable', please explain why** - a framework should be developed having in mind the principle of proportionality

- **How do you rate the following possible specific modalities of gender-neutral job evaluation and classification systems?**

*Gender-neutral job evaluation and classification systems:* systematic way of determining the value/worth of a job in relation to other jobs in an organisation with the aim to compare their relative worth and ultimately establishing a rational pay structure.

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know
Guidelines for organisations on how to develop and apply gender-neutral job evaluation and classification systems	X				
IT tools for organisations to support the development of gender neutral evaluation and classification systems		X			

Training on job evaluation and classification in general and on how to apply gender neutrality in such systems			X		
Gender equality labeling system for organisations			X		
Inclusion of matters related to gender neutrality of job evaluation and classification systems in collective bargaining			X		

- **In your opinion, what measures would you like to see included in a forthcoming European Commission initiative? [multiple choice possible]**

Employees' right to access pay information	X
Employers' obligation to report on pay levels	
Employers' obligation to carry out pay audits	
Gender neutrality of job evaluation and classifications systems	
Obligation to include equal pay matters in collective bargaining	
Enforcement measures (e.g. legal support, adequate penalties for companies,	



compensation for victims and easier shift of burden of proof to employer)	
Stronger mandate of national equality bodies to intervene in support of victims	X
More active role of labour inspectorates as regards gender equality issues in employment matters	
Better cooperation between equality bodies and labour inspectorates	X
Other	X

**If Other, please explain –**

- In addition for employee´s right to access pay information as such, access to that information should also be made available to trade unions (employee representatives/shop stewards), with respect to national legal provisions already in place.
- Trade unions should also have the possibility to help with or lodge a complaint/take legal action on behalf of a member or a group of members. This would take away the responsibility and burden placed on individual employees to file complaints and would mitigate any negative consequences on the employees´ career.
- Ultimately, we reject the option ´obligation to include equal pay matters in collective bargaining´ and urge the European Commission to remove it from the list of considered measures, and throughout this consultation.

Including this option suggests that the European Commission assumes a mandate in defining the content and framework of collective agreements, which is against a long list of EU legislation, including the TFEU (article 153,5) and Commission´s own Recommendation on Strengthening the Principle of Equal Pay between Men and Women through transparency (II.Wage Setting, (6)).

The process of collective bargaining and the elements included in collective agreements are in the hands of social partners and the European Commission has no competence nor mandate to interfere in this field. Instead, we encourage the European Commission to support social partners and take measures in advancing social dialogue both on national and European level, as social partners have competence and capacity to help in moving forward the question of equal pay.

- **Please upload any additional reference document or comment that you deem useful**

**1. NFU – Nordic Financial Unions is an organization that promotes the interests of the Nordic financial trade unions in Europe.** Through a high level of competence and dialogue, NFU contributes to shaping a sustainable financial sector, fundamental for job creation. Currently, NFU represents eight trade unions in the bank, finance and insurance sector in Denmark, Finland, Iceland, Norway and Sweden.

**2. NFU welcomes the increased focus of the European Commission on the question of equal pay.** Increasing the efforts towards gender equality and diversity through creating equal playing field for participation, personal and career development, equal pay and ensuring everyone is an active stakeholder at their community, workplace and society in general is part of NFU's views on Sustainable Finance, and a way in contributing to the realization of the **Sustainable Development Goals**.

**3. Bridging the gender pay gap is one aspect of the work needed to achieve gender equality.** In EU, progress on this has varied, and the persistence of the current rate at around 16% indicates structural challenges and inequalities. The question of the pay gap also gets a long-term perspective, since **current pay gap between men and women also leads to a pensions gap** in the future.

4. This is a question that requires **a holistic approach** as pay transparency can be seen as one aspect of the strive to achieving equal pay and gender equality. Gender norms and stereotypes, work-life balance and flexible work, opportunities for education and career development, access to childcare services, parental leave, sharing of domestic activities, are all elements that influence the situation and prospects of women and men at the labor market, and they should be assessed as part of the actions of bridging the gender pay gap. **Equal pay is also a question going beyond gender equality only**, to include diversity and address differences in sector, positions, professions and more.

5. In Finland, **wage knowledge** plays an important role both in the advancement of equal pay and in the detection of discrimination. "[Palkkatietämys Suomessa](#)"- study (2012) from Finland tells that that satisfaction with pay levels and the pay system is enhanced by increased knowledge about pay, transparency in pay communication and ensuring fair application of the system. Pay transparency affects both pay level satisfaction and system satisfaction: the more open wage communication is, the more satisfied one is with both pay and the pay system. Pay transparency and wage knowledge are interlinked: if wage-related issues are not addressed openly in the organization, wage knowledge will not be able to develop either.

6. In Denmark, **the practice of individual employees having to file complaints is proving to be burdensome**, as individual employees face the risk of victimization and negative career/job consequence. A [report](#) by the Danish Institute of Human Rights highlights the challenges faced by employees who have submitted individual complaints (lengthy cases, toll on mental health and work-life balance, negatively affected relationships at work etc) and provides for recommendations.

7. Pay transparency can be developed by **means of legislation, measures taken by social partners and actions taken in workplaces**. In order to ensure a minimum level of wage transparency throughout the labor market, the importance of legislative action should be emphasized.

8. While we agree with the need for pay to be transparent, we would also like to underline that all policies that concern the wage setting principles and practices need to be addressed at the national level, as they are a competence to the Member States. In the Nordic countries, the social partners have the full mandate to negotiate wages and other working conditions, defining the content of collective agreements. Thus, **Member States and social partners should be given the possibility and flexibility to develop policies suitable for their labor market models.** We therefore urge the Commission to follow its own [Recommendation](#) (II.Wage Setting, (6) Collective Bargaining) and highlight that the suggested option 'Obligation to include equal pay matters in collective bargaining' in a forthcoming European Commission initiative could go against the initial Recommendation as well as various other legislation that secures the rights of social partners.

9. Some Member States also have their own legislative frameworks in place, and new legislation proposed by the Commission should respect and take that into consideration. The Commission should also support **comprehensive implementation** of the existing regulation on Member State-level.

10. The [Eurofound \(2018\) report , Pay transparency in Europe: First experiences with gender pay reports and audits in four Member States](#), including Denmark, Finland, and Sweden, could offer **national experiences**. The report mentions the need to further engage employee representatives in the creation and design of reports and bridging the knowledge gap among employees, as well as the importance of attitudes and willingness for engaging in meaningful dialogues, as a pre-condition for success of instruments.

11. Ultimately, the social partners in the Nordic financial sector have been proactively working in the area of equality in a wider context, through taking their own initiatives in working with pay transparency, equality, equal pay, leadership and inclusivity. While there is still work to be done, these initiatives in the form of **good practices and experiences** can be shared with the European Commission. The European Sectoral Social Dialogues in Bank and Insurance are also working with this question. We therefore encourage the Commission to use the existing good initiatives to further its work on equality.